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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.3.2010

Wall

Street Journal: "Bair

Warns Against New Curbs on Bank Trading ... Federal Deposit Insurance Corp. Chairman Sheila Bair has urged lawmakers to scrap a controversial Senate plan that would force banks to spin off their derivatives businesses, saying it could destabilize banks and drive risk into unregulated parts of the financial sector."

Wall

Street Journal: "Senate's

Goldman Probe Shows Toxic Magnification ... Even at its peak, subprime lending accounted for a relatively small portion of overall mortgage lending. Yet losses from these mortgages caused deep damage to the financial system."

Wall

Street Journal: "Fed

Papers Give Favorable Reviews to Emergency-Lending Programs ... The Federal Reserve would like to congratulate, well, itself for the effective construction of its emergency liquidity facilities."

Wall

Street Journal: "China

Raises Bank-Reserve Requirements ... China's central bank on Sunday said for the third time this year it was ordering banks to set aside more of their deposits on reserve, amid growing inflationary expectations and Beijing's crackdown on surging property prices."

Wall

Street Journal: "How

to Avoid a 'Bailout Bill' ... It's good news there's now bipartisan agreement that the financial reform bill should not be a "bailout bill," and that amendments to Connecticut Sen. Chris Dodd's draft legislation are being proposed and debated with this agreement in mind."

Washington

Post: "Greece

secures bailout from Europe and IMF ... Greece on Sunday announced a long-awaited deal with the European Union and International Monetary Fund for a \$145 billion financial rescue, an unprecedented package aimed at preventing a far broader debt crisis from engulfing other nations in Europe."

Washington

Post: "With

financial reform for Wall Street, fair is fair ... After 10 hours and 43 minutes of testimony before the Senate Permanent Subcommittee on Investigations, the witnesses -- a handful of hapless Goldman Sachs employees -- and the interrogators -- a handful of angry senators -- seemed no closer to a warm handshake and a promise to keep in touch."

NY

Times: "Wall

Street Begins May With a Surge ... Shares on Wall Street pushed higher on Monday after reports of improvements in manufacturing and construction activity."

NY

Times: "Senate

Financial Bill Misguided, Some Academics Say ... As Democrats close in on their goal of overhauling the nation's financial regulations, several prominent experts say that the legislation does not even address the right problems, leaving the financial system vulnerable to another major crisis."

The

Hill: "Obama,

Democrats struggle with details of proposed tax on banks ... President Barack Obama and congressional Democrats want to tax big banks for the \$700 billion bailout, but they have been unable to agree on the details of the policy."

Politico:

"Chris Dodd backs

out of Wall St. fundraiser ... Senate Banking Chairman Chris Dodd (D-Conn.) canceled plans to attend a Monday fundraiser for Sen. Kirsten Gillibrand (D-N.Y.) with donors connected to the financial services industry, saying he has to stay in Washington to lead debate over the Wall Street regulation bill."